



**Health Services**  
LOS ANGELES COUNTY

June 7, 2011

**Los Angeles County  
Board of Supervisors**

**Gloria Molina**  
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**Mark Ridley-Thomas**  
Second District

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**Mitchell H. Katz, M.D.**  
Director

**John F. Schunhoff, Ph.D.**  
Chief Deputy Director

To: Supervisor Michael D. Antonovich, Mayor  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: Mitchell H. Katz, M.D.   
Director of Health Services

Subject: **RECOMMENDATION FOR DELEGATED AUTHORITY  
TO EXECUTE AGREEMENT WITH THE CALIFORNIA  
DEPARTMENT OF HEALTH CARE SERVICES FOR  
THE LOW INCOME HEALTH PROGRAM REQUIRED  
FOR THE CALIFORNIA 1115 WAIVER  
(Board Agenda Item A-4, June 7, 2011)**

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*To ensure access to high-quality,  
patient-centered, cost-effective  
health care to Los Angeles  
County residents through direct  
services at DHS facilities and  
through collaboration with  
community and university  
partners.*

On November 2, 2010, California Department of Health Services (CDHS) and Centers for Medicare and Medicaid (CMS) entered into a new 1115 Waiver, commonly known as the *California Bridge to Reform*, for a five year period, commencing November 1, 2010. This Waiver provides the framework preparing California to implement federal Health Care Reform in 2014 for Medicaid Coverage Expansion (MCE) enrollees who are adults, aged 19-64, with incomes at or below 133% of the Federal Poverty Level (FPL) and who meet citizenship or legal residence requirements. The Waiver will provide federal funding for health care coverage expansion, continued partial funding of public hospitals' uncompensated costs, new funding for delivery system improvements at public hospitals, require the enrollment in Medi-Cal Managed Care by Seniors and Persons with Disabilities (SPDs), and federal matching funds for various State-only funded programs.

On December 14, 2010, your Board authorized the Department of Health Services (DHS) to submit action items related to the 1115 Waiver to your Board on a standing agenda item designated as A-4. This memo requests your Board's approval of a recommendation of delegated authority to execute an agreement with the State to implement the Low Income Health Program (LIHP).



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On December 14, 2010, your Board also authorized the Director of Health Services, or his designee, on behalf of the County, to participate in the new California 1115 Waiver and its LIHP, and to submit all documents, including applications and certifications, necessary to establish and implement the County's intent to voluntarily participate in the Waiver and the LIHP. DHS submitted its LIHP application to the State on February 14, 2011 and received a letter of Initial Approval on April 11, 2011. The State had indicated that an authorization process, to ensure program requirements will be met, would continue on a concurrent track with a contract process.

The Department has just learned that, even though the authorization process has not been completed, an agreement with the State for implementation of the LIHP will likely need to be executed prior to July 1, 2011, the effective date of the new LIHP. This will not give the Department time to process the agreement to your Board for approval using the regular Board letter process. Therefore, the Department is requesting delegated authority in order to assure that there is no delay in implementation of the LIHP.

The exact terms and conditions of the agreement are not yet known, as the State has not provided us with a draft. Its terms are likely to mirror the responsibilities set forth in the Standard Terms and Conditions of the Waiver, which were agreed to by the State and CMS. The agreement will require the County to finance the non-federal share of expenditures under the LIHP, which may be done through certifying expended funds or through intergovernmental transfers. The amount of such expenditures or transfers will depend on enrollment. The agreement may cover services provided or paid for by the County Department of Mental Health.

## **RECOMMENDATION**

It is recommended that your Board delegate authority to the Director of Health Services, or his designee, to execute an agreement with the California Department of Health Care Services for implementation of the Low Income Health Program under the new California 1115 Waiver.

If you have any questions or need additional information, please contact me or John Schunhoff, Ph.D., Chief Deputy Director of Health Services, at (213) 240-8370.

MHK:jfs